

NEWS RELEASE -----

**ONLINE NEWSPAPER TO DEVELOP INTERNET PRODUCTS WITH
MOSAIC COMMUNICATIONS SOFTWARE**

SAN JOSE, CA. (August 22, 1994) -- The San Jose Mercury News announced today a development agreement with Mosaic Communications Corporation of Mountain View for software that will enable the Mercury News to deliver an electronic newspaper on the Internet.

The Mercury News, a Knight-Ridder Newspaper, currently offers Mercury Center, which was the first complete online newspaper service.

"We're excited about the potential of the World Wide Web and about being the first newspaper to use Mosaic Communications's new software," said Bob Ingle, president and executive editor of the Mercury News. "We've been concerned about the ability of the current Web server software to handle the demands of a daily newspaper and the potential of the client software to be a true consumer product," said Ingle. "We didn't want to put up something that would be an anticlimax after the success of Mercury Center on America Online. Mosaic Communications products are the missing pieces of the puzzle."

Mosaic Communications intends to be the premier provider of open software to enable the most effective exchange of information and commercial enterprise over global networks. The company was co-founded in April 1994 by Dr. James H. Clark, founder of Silicon Graphics Inc., and Marc Andreessen, creator of the original Mosaic software for the Internet. The company plans to develop commercial versions of Mosaic, the most popular software for accessing the World Wide Web on the Internet.

"The Mercury News team's enthusiasm for online services and their proximity to us makes this an ideal partnership," said Clark, chairman and CEO of Mosaic Communications. "Our technical teams have already spent many hours together to identify market needs for online publishing. The use of the Internet for these applications has been limited until now by lack of security, performance and ease of use. By addressing these issues, Mosaic Communications software will enable content providers such as the Mercury News to maintain their subscriber relationships while substantially expanding their reach via this fast-growing global network.

- more -

2-2-2-2

The Mercury News is the source of the first complete online newspaper, Mercury Center. Mercury Center offers:

- * The full text of the daily paper.
- * The daily paper's classified advertising.
- * Access to the electronic archives of the Mercury News and 17 other U.S. newspapers.
- * Electronic mail.
- * Bulletin boards to reach the paper's editors and columnists.
- * Online advertising.
- * Hundreds of other stories every day that supplement the printed edition of the paper.

The Mercury News is the local newspaper for the region that is leading the development of the Internet. Its circulation area includes the headquarters of Sun Microsystems, Hewlett-Packard, Apple Computer, Cisco Systems, Silicon Graphics, Adobe, Stanford University, and Intel. Its coverage of Silicon Valley business and the Internet in many ways makes it the hometown paper of cyberspace. Nearly one-third of the households in the Mercury News circulation area have a modem, three times the national average.

"Mosaic creates an open market for information," said Ingle. "We believe that in that kind of marketplace newspapers have something significant to offer the consumer."

FOR FURTHER INFORMATION:

Barry Parr
Marketing Manager
Mercury Center
(408) 920-5384
barryparr@sjmercury.com

Rosanne Siino
Director of Communications
Mosaic Communications
(415) 254-2619
rosanne@mcom.com